

UNP TIF OVERSIGHT COMMITTEE MINUTES  
MULTI-PURPOSE ROOM  
201 WEST GRAY  
11:30 A.M.  
May 27, 2008

The University North Park Tax Increment Financing District ("UNP TIF") Oversight Committee met at 11:30 a.m. in the Municipal Building Multi-Purpose Room on the 27th day of May, 2008.

PRESENT: Robert Castleberry, Gail Poole

ABSENT: Karla Bonzie, Joe Siano, Ted Greb, Diana Hartley, Sharon Parker

OTHERS PRESENT: Anthony Francisco, Finance Director  
Jeff Bryant, City Attorney  
Kathryn Walker, Assistant City Attorney  
Suzanne Krohmer, Budget Analyst  
Clint Mercer, Chief Accountant

A quorum was not present so no action could be taken. Jeff Bryant, City Attorney, presented an update on the TIF status as well as details of Development Agreement #4 and the proposed TIF financing. A copy of the presentation is attached.

## TIF Quarterly Update

City Council Conference  
May 20, 2008

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### TIF Funds for Public Improvements

■ Initial Project activity costs –	
Roadway Improvements	\$13.475 million
■ Legacy Park, landscaping,	
Legacy Trail	\$ 8.25 million
■ Conference Center and	
Cultural Facilities	\$ 16.5 million
■ Lifestyle Center	\$ 8.25 million
■ Economic Development (100	
acres at or below market)	<u>\$ 8.25 million</u>
TOTAL AUTHORIZED:	\$54.725 million

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### Implementation of Project Plan

- Master Development Agreement
- Development Agreement No. 1 (Traffic and Roadway)
- Development Agreement No. 2 (Hotel/Conference Center)
- Master Financing Agreement
- Development Agreement No. 3 (Legacy Park)

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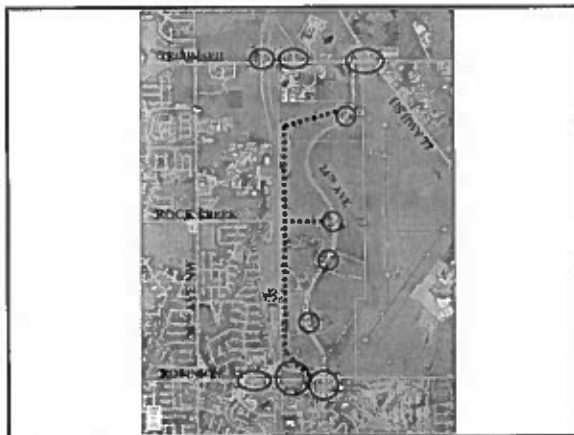
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## Traffic and Roadway Improvements

Completed Projects:		Budget	Actual
1	24 <sup>th</sup> and Robinson	\$ 740,000	\$ 1,218,657
2	24 <sup>th</sup> Ave NW Intersections (2 done)	\$ 400,000	\$ 663,944
3	I-35 Frontage Rd. (Mt. Williams to Conference Drive)	\$ 871,660	\$ 624,424
4	Tecumseh Rd. @ 24 <sup>th</sup> NW	\$ 457,818	\$ 203,324
Subtotal:		\$ 2,469,478	\$ 2,778,349
Future Projects:			
5	24 <sup>th</sup> Ave NW Intersection (3 remain)	\$ 600,000	
6	Robinson @ I-35	\$ 1,700,000	
7	Robinson @ W I-35/Crossroads	\$ 1,110,543	
8	I-35 Frontage Rd. (Rock Creek Rd. to Tecumseh)	\$ 1,524,340	
9	Right of Way acquisition (if needed)	\$ 400,000	
10	Tecumseh Rd. @ E I-35	\$ 1,086,723	
11	Tecumseh Rd. @ W I-35	\$ 1,112,626	
12	Tecumseh Rd. @ Flood	\$ 457,816	
Contingency:		\$ 1,083,035	
<b>TOTAL:</b>		<b>\$11,530,000</b>	



## Other Potential Improvements Impacting the District

- One-way frontage roads
  - City/ODOT Study
- Rock Creek Overpass
  - Development Agreement No. 4 provides the funding mechanism
- I-35 Widening and Interchanges
  - ODOT Project

## Retail Development

- To facilitate the creation of a retail environment that will be a regional draw of retail customers to Norman.
- Retail environment to complement retail stores outside the Project Area.
- Two phases:
  - West side of 24<sup>th</sup> Avenue
  - East side of 24<sup>th</sup> Avenue – Lifestyle Center – upscale shopping

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## Retail Development Phase I

West of 24<sup>th</sup> Avenue

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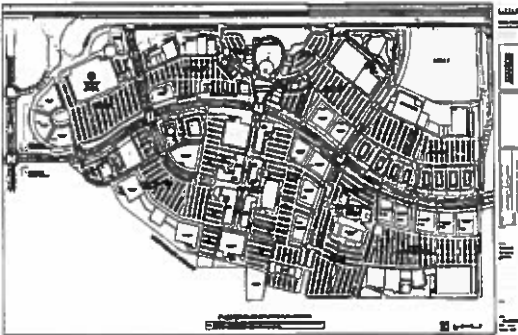
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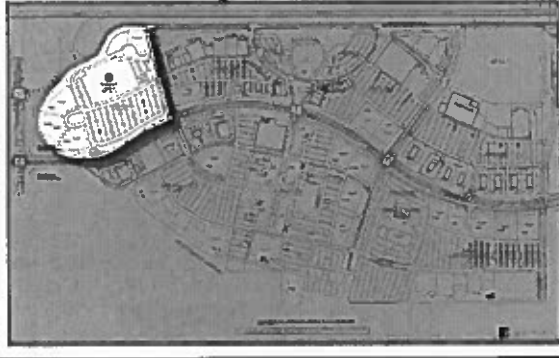
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## Development Area 1A




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## Development Area 1A



Target



Outparcels 1-3: Logan's  
Restaurant and Others  
May 2008

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## Area 1A, Building E: AT&T, T-Mobile, Sally Beauty Supply, Great Clips, Sport Clips, Motherhood Maternity



June 2007



September 2007



January 2008



May 2008

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## Development Area 1B




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Area 1B Building A: Fel Wei, Dress Barn, Rack Room Shoes, Maurice's, TJ Maxx



June 2007



September 2007



January 2008

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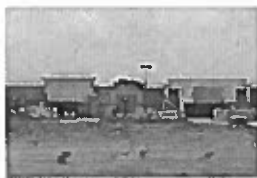
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June 2007



September 2007



January 2008

Office Depot, Circuit City,  
and Petco

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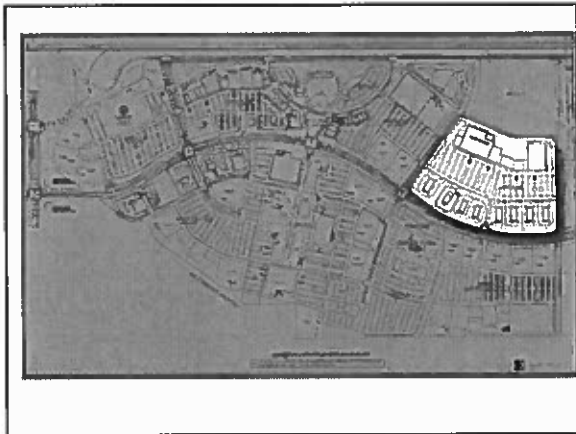
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**Development Area 2B**



JUNE 2007

SEPTEMBER 2007

Kohls



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**Retail Development  
Phase II**

East of 24<sup>th</sup> Avenue

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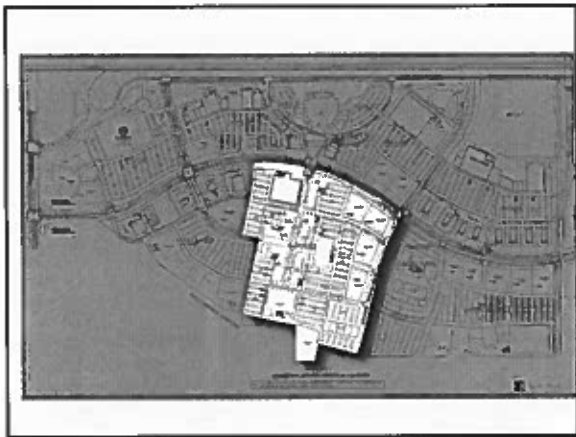
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### Conference Center

- The Conference Center should be considered a positive step toward securing the development of a first class hotel in the Project Area
- John Q. Hammons is building a first-class Embassy Suites hotel in Project Area to be connected to and operated jointly with the Conference Center
- Projected opening between Oct. 1<sup>st</sup> and Oct. 15<sup>th</sup>; hoping to open earlier for OU/TCU game on Sept. 28<sup>th</sup>
- 13 signed contracts for use of the Conference Center so far – includes University business, state associations, and corporate groups that have previously used downtown OKC for their meetings

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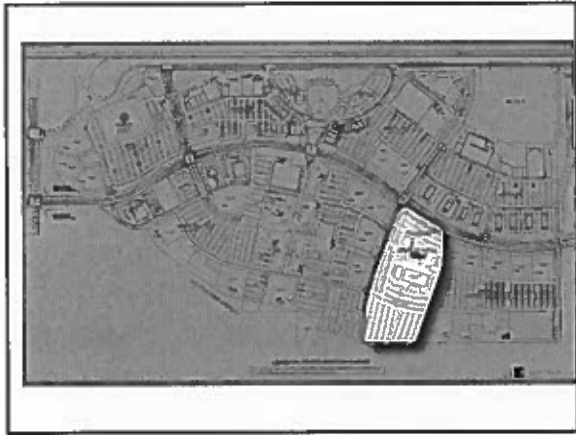
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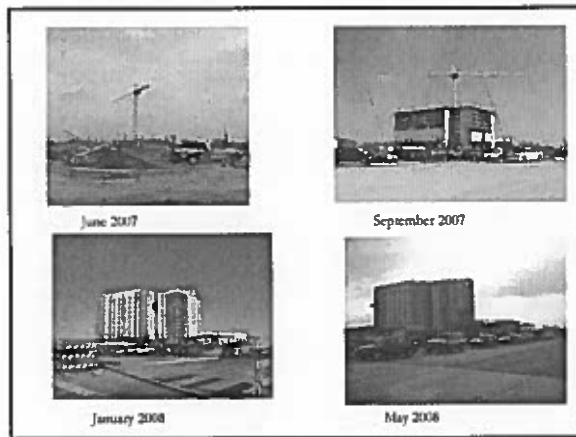
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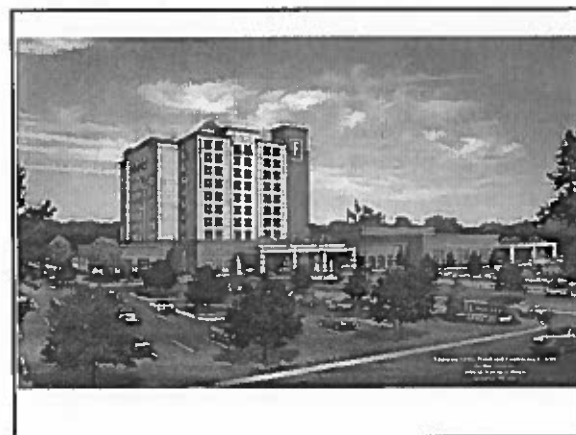
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### Legacy Park

- Park setting with appropriate memorials and a significant lake/water feature
- Extension of the Legacy Trail system through UNP in excess of that required by the PUD
- Quality public art through UNP
- Trees and extensive landscaping through UNP in excess of that required by PUD at locations necessary to screen the Project from I-35 and at other locations designated in final plats approved by the City, together with an endowment to facilitate permanent replacement and maintenance.

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### Legacy Park

- Envisioned as an active park with a lake, public art, and open spaces surrounded by destination restaurants and boutique shops
- Priority for Citizen's TIF Committee; originally tied to development of Lifestyle Center
- Developer has agreed that City should develop Legacy Park simultaneously with surrounding retail development
- Proposed detailed design presented in Study Session on August 21, 2007 and to TIF Oversight Committee on September 10, 2007.
- Development Agreement No. 3 for Legacy Park approved October 2007.
- Contract with Scott Howard approved in April 2008; final plan to be submitted by end of 2008 with construction beginning in early 2009

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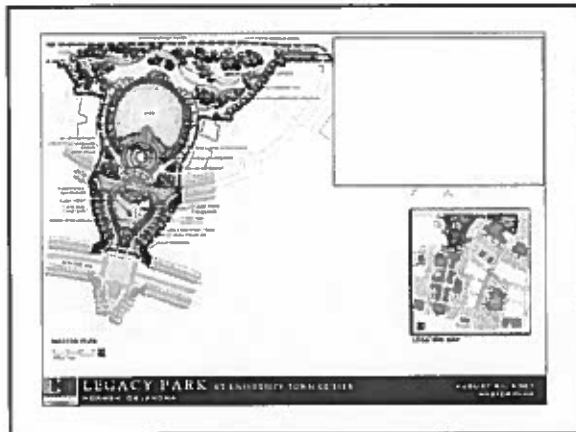
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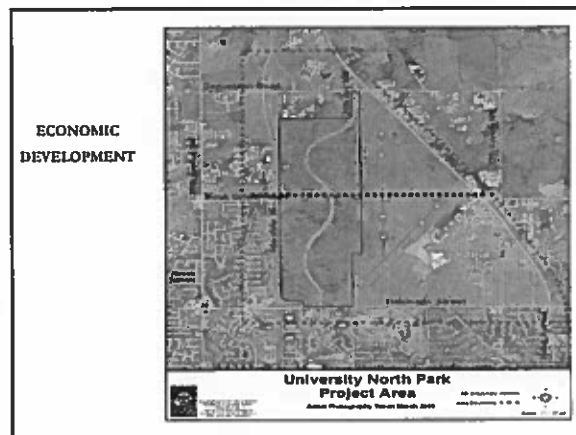
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### Economic Development

- Location of businesses in the Project Area not currently located in Norman and providing quality employment opportunities in Norman or expanding existing businesses that would not otherwise be able to remain in Norman.
- Intended to foster special employment opportunities in Norman
- Includes planning, financing, assistance in development financing, acquiring, constructing and developing facilities to foster such opportunities

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## Financial Update

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### UNP TIF Funding

- Ad Valorem Taxes Generated from the District  
50%
- Sales Tax Generated from the District
  - 50% Public Improvements
  - 10% Economic Development
  - 60% Total

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### UNP TIF Funding Ad Valorem

Base Assessment: \$905,128

TIF Valuation January 1 (billed Nov., paid by March)	Valuation (Buildings Inventory, and Land)	Increase in Ad Valorem (12%)	Total Ad Valorem*	TIF Portion (50%)
Calendar Year 2006	\$ 7,542,733	\$ 905,128 (Base)		N/A
Calendar Year 2007	\$ 21,008,567	\$ 1,615,900	\$ 165,112	\$82,556
Calendar Year 2008/2009	Estimated \$102,242,556 (buildings only)	\$ 11,363,979	\$ 1,161,170	\$580,585

\* Based on the 2006 millage rate of 102.18

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**Projected TIF Ad Valorem Revenues  
to  
Affected Taxing Entities**

	2007	2008/2009
Total Ad Valorem	\$165,112	\$1,161,170
TIF Portion (50%)	\$82,556	\$580,585
Norman Public Schools (61.46%)	\$50,739	\$356,829
County (14.08%)	\$11,626	\$81,764
Moore-Norman Vo-Tech (14.07)	\$11,618	\$81,707
Norman Public Library (4.02%)	\$3,321	\$23,353
City of Norman (3.85%)	\$3,175	\$22,330
Health Dept. (2.52%)	\$2,076	\$14,603

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**UNP TIF FUNDING – RETAIL SALES TAX**

Retail Sales Tax	Received by City	Gross Sales	Transfer Adj.	TIF Sales less Trans Adj.	60% TIF	40% General Fund
Oct. 2006 – Oct. 2007	Dec. 2006 – Dec. 2007	2,169,342	1,018,093	1,151,249	690,750	460,498
Nov. 2007	Jan. 2008	253,603	93,979	159,624	95,774	63,849
Dec. 2007	Feb. 2008	375,925	182,890	193,035	115,821	77,214
Jan. 2008	March 2008	205,276	72,016	133,260	79,956	53,304
Feb. 2008	April 2008	218,171	73,111	145,060	87,036	58,024
<b>TOTAL</b>		<b>3,222,317</b>	<b>1,440,089</b>	<b>1,782,228</b>	<b>1,069,337</b>	<b>712,890</b>

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**NEXT STEPS**

- Legacy Park Final Design (May to Dec 2008)
- Dev. Agreement #4 for Rock Creek Overpass & Authorize 1<sup>st</sup> TIF #2 Bonds (May 2008)
- 1<sup>st</sup> TIF #2 Note Financing (June 2008)
- One Way Frontage Road report (July 2008)
- Dev. Agreement #5 for Econ. Dev. (Summer 2008)
- Begin Legacy Park construction (January 2009)

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**TIF Quarterly Update**

May 20, 2008

City Council

Comments

Questions

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**Development Agreement No. 4**

**Rock Creek Overpass at I-35**

Council Conference

May 20, 2008

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**Development Agreement No. 4**

**Objective:**

To solidify funding sources to supplement the \$4 Million  
ODOT Grant for an Overpass of I-35  
at Rock Creek Road

**BENEFITS OF THE OVERPASS:**

- Multimodal transportation connecting across I-35
- Alleviate traffic problems at Robinson St. and Tecumseh Rd
- Possible savings of programmed TIF improvements
- Open up north 1/2 of TIF for development
- Increase circulation between UNP Retail District, and other Norman retail shopping areas

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**OVERPASS FUNDING SOURCES**

1. Okla. Department of Transportation - \$4 million
2. Fed. SAFE TEA Program (ACOG) - \$1.07 million
3. Funding Gap – TIF Revenues - \$7.75 million
4. City Recoupment Fund – \$780 thousand

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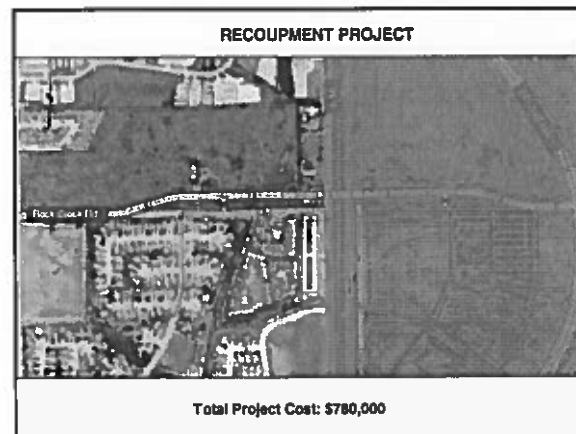
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### Overpass Funding Gap - \$7.75 million

#### Summary of Proposal

- Release from obligation to consider purchasing the Conference Center
- Redesignate a portion of Project Plan Costs for Conference Center Purchase to the Rock Creek Overpass Project
- City to pursue the remaining funding sources (federal matching SAFE TEA grant through ACOG, recoupment funds)
- UNP Realty Investments, LLC (subsidiary of OU Foundation) to fund a note secured by TIF Incremental revenues along with first TIF Financing

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### Modified Conference Center Commitments

- Hotel / Conference Center to open this fall
- City released of obligation to consider purchase for \$15 million from TIF Revenues
- JQH affirmed commitment to a community Conference Center
- TIF Funds authorized for purchase of Conference Center may be redirected per Section IX(A)(2) of the Project Plan
- City not required to use remaining \$7.25 million, but maintains flexibility for appropriate proposal

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### Recommitment Terms

- Recommitment by Developer to complete TIF Traffic & Roadway improvements needed with Rock Creek Overpass
- Recommitment by Developer to the Lifestyle Center
- Recommitment by UNP to transfer real property to NEDC for economic development at a cost below market value
- Recommitment by NEDC to pursue economic development in accordance with the Project Plan

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**Modified TIF Authority Commitment  
for  
Assistance in Development Financing**

**Accelerate Development Assistance for Early Roadwork:**

Robinson & 24 <sup>th</sup> Ave NW	\$1,069,713.00
Tecumseh & Flood	\$ 265,542.80
Mt. Williams Drive & signal	<u>\$ 365,095.00</u>
Total	\$1,700,332.80

**Development Assistance @ 90% \$1,530,299.52**

**Components of 1<sup>st</sup> TIF #2 Financing**

Traffic & Initial Project Activity	\$13,475,000
Legacy Park Construction	\$ 5,100,000
UNP Enhanced Landscaping	\$ 750,000
Rock Creek Overpass funding	<u>\$ 7,750,000</u>
Total TIF Projects	\$27,075,000
Capitalized Interest (first 24 months)	<u>\$ 1,275,851</u>
Total With Capitalized Interest	\$28,350,851

**Components of 1<sup>st</sup> TIF #2 Financing**

Issuance costs

Lender's Accept. fee (49% potentially participating Bank @ 1%)	\$ 142,688
Lender's Accept. fee (51% subsidiary of OU Foundation @ 1%)	\$ 148,512
Bond Counsel fees	\$ 243,400
Other Legal fees	\$ 50,000
Financial Advisor fees	\$ 175,000
Trustee Bank fee	\$ 3,000
Other costs	<u>\$ 6,549</u>
Totals	\$ 769,149

### Components of 1<sup>st</sup> TIF #2 Financing

Total for TIF Projects \$28,350,851

Issuance costs \$ 769,149

Total Note Authorized \$29,120,000

*\*Draw down schedule (as needed)*

Term: 20 year (anticipated refunding before 6<sup>th</sup> year)

Rate: 3.75% annual floating rate

*(Adjusted to the current 1 year T-Bill base, plus: +1.25% years 2 to 5;  
then +2% year 6; then +3% year 7; then +4% years 8 to maturity)*

Reserve: 3 year build up to \$ 2,250,000

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### Components of 1<sup>st</sup> TIF #2 Financing

Projected Cash flows are very good – 2 x coverage

Pledged Revenues for 1<sup>st</sup> TIF #2 Financing:

50% TIF retail sales tax

50% TIF *ad valorem* tax (except NEDC land)

Note to be Funded by wholly owned subsidiary of OU  
Foundation (Board approved 5/9/08)

Financing Authorization [Council consideration 5/27/08 (7 votes)]

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### NEXT STEPS

- Development Agreement No. 4 (May 27, 2008)
- First TIF #2 Financing Authorization (May 27, 2008)
- Close Loan of First TIF #2 Financing (June 2008)
- One-way frontage road study completed (July 2008)
- Design of Rock Creek Overpass (September 2008 – March 2009)
- ODOT I-35 Widening Project (September 2008)
- Consideration of Recoupment Ordinance (Summer 2009)
- Competitively bid and award project (Late Summer 2009)

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**Development Agreement No. 4**  
**and**  
**1<sup>st</sup> TIF #2 Financing Authorization**

**City Council**

Questions

Comments

Input

Direction

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